GOVERNMENT OF INDIA
ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:6380
ANSWERED ON:12.04.2017
MSIPS
Adsul Shri Anandrao ;Patil Shri Shivaji Adhalrao;Raut Shri Vinayak Bhaurao;Shinde Dr. Shrikant Eknath;Shrirang Shri Chandu Barne;Yadav Shri Dharmendra

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:
(a) whether the Modified Special Incentive Package Scheme (MSIPS) was announced in July 2012 to attract investments in electronics design and manufacturing segment and to provide subsidy of 20 percent on investments in special economic zone and 25 percent for non-SEZ zone and if so, the facts in this regard;
(b) whether the Government has allocated Rs. 18.5 crore for MSIPS and Electronic Manufacturing Clusters(EMCs) and if so, the total investment proposal received by the Government under MSIPS for electronics manufacturing in the country and the present status thereof; ;
(c) whether the Ministry of Electronics and IT is facing shortage of funds needed for disbursement of incentives promised under its various schemes to boost electronic manufacturing in the country and if so, the details thereof;
(d) whether the Ministry has calculated the amount likely to be required for disbursement of subsidies in the financial year 2017-18; and
(e) if so, the details thereof and the manner in which it will be arranged?

Answer

(a): To offset disability and attract investments in Electronic manufacturing, Modified Special Incentive Package Scheme (M-SIPS) was launched by the Government in July 2012. The scheme was initially opened to receive applications for 3 years i.e. till 26-07-2015. For giving a big boost to electronics manufacturing in the country, in August 2015, the Government approved the extension of the scheme along with the few procedural simplifications and expansion of scope to new product categories. Further, amendments in the M-SIPS policy have been notified on 30-01-2017 with a view to expedite investments in electronic manufacturing. The copy of MSIPS policies and amendment are available in public domain at http://meity.gov.in.

The scheme mainly provides 20-25% subsidy for investments in capital expenditure for setting up of an electronic manufacturing facility. It also provides for reimbursement of CVD/Central Excise Duty for capital equipment for the non-SEZ units. The incentives are available for 44 categories of electronic products and product components. Applications under the scheme will be received till 31st December 2018 or till such time that the incentive commitment reaches Rs. 10,000 crore, whichever is earlier. The incentives will be available for a period of 5 years from the date of approval of the application.

(b), (c), (d) and (e): In the Budget for 2017-18, a provision of Rs.745 crore has been allocated for "Promotion of Electronics/IT hardware manufacturing". In the Budget Estimate, Rs 300 crore has been provisioned for MSIPS and Rs 210 crore for EMC.
The details of applications received by the Ministry under MSIPS are as given below:
Particulars Number of Proposals Pro(Rs crore)posed Investment

Applications Approved 95 20,185
Applications recommended for approval 03 544
Applications under appraisal 134 1,22,434
Grand Total 232 1,43,163
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